

subpar. (A). Text read as follows: “The Center may use amounts in the Fund to make grants and loans to eligible entities in accordance with a strategic plan submitted under subsection (d) of this section.”

Subsec. (e)(3)(B). Pub. L. 106–78, §816(b)(1)(B), inserted at end “The Fund is intended to furnish the initial capital for a revolving fund that will eventually be privatized for the purposes of assisting the United States sheep and goat industries.”

Subsec. (e)(3)(D). Pub. L. 106–78, §816(b)(1)(C), (F), redesignated subpar. (E) as (D) and struck out heading and text of former subpar. (D). Text read as follows: “The Center shall, to the maximum extent practicable, use the Fund to provide a variety of grants and intermediate- and long-term loans.”

Subsec. (e)(3)(E). Pub. L. 106–78, §816(b)(1)(F), redesignated subpar. (F) as (E). Former subpar. (E) redesignated (D).

Pub. L. 106–78, §816(b)(1)(D), added subpar. (E) and struck out heading and text of former subpar. (E). Text read as follows: “The Center may not use more than 3 percent of the amounts in the Fund for a fiscal year for the administration of the Center.”

Subsec. (e)(3)(F) to (H). Pub. L. 106–78, §816(b)(1)(F), redesignated subpars. (G) and (H) as (F) and (G), respectively. Former subpar. (F) redesignated (E).

Subsec. (e)(3)(H)(vii). Pub. L. 106–78, §816(b)(1)(E), added cl. (vii).

Subsec. (e)(6)(D). Pub. L. 106–78, §816(b)(2), struck out heading and text of subpar. (D). Text read as follows: “No additional Federal funds shall be used to carry out this section beginning on the earlier of—

“(i) the date that is 10 years after April 4, 1996; or

“(ii) the day after a total of \$50,000,000 has been made available under subparagraphs (B) and (C) to carry out this section.”

Subsec. (f)(2)(B). Pub. L. 106–78, §816(c)(1), added subpar. (B) and struck out former subpar. (B) which read as follows: “review any grant, loan, contract, or cooperative agreement to be made or entered into by the Center and any financial assistance provided to the Center;”.

Subsec. (f)(5)(C). Pub. L. 106–78, §816(c)(2), added subpar. (C) and struck out heading and text of former subpar. (C). Text read as follows: “A voting member may be reelected for not more than 1 additional term.”

Subsec. (f)(6)(B). Pub. L. 106–78, §816(c)(3), added subpar. (B) and struck out heading and text of former subpar. (B). Text read as follows: “A member elected to fill a vacancy for an unexpired term may be reelected for 1 full term.”

Subsec. (j). Pub. L. 106–78, §816(d), added subsec. (j).

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in section 917 of this title.

SUBCHAPTER V—RURAL COMMUNITY ADVANCEMENT PROGRAM

SUBCHAPTER REFERRED TO IN OTHER SECTIONS

This subchapter is referred to in section 917 of this title.

§ 2009. Definitions

In this subchapter:

(1) Rural and rural area

The terms “rural” and “rural area” mean, subject to section 1926(a)(7) of this title, a city, town, or unincorporated area that has a population of 50,000 inhabitants or less, other than an urbanized area immediately adjacent to a city, town, or unincorporated area that has a population in excess of 50,000 inhabitants.

(2) State

The term “State” means each of the 50 States, the District of Columbia, the Common-

wealth of Puerto Rico, Guam, the Virgin Islands of the United States, American Samoa, the Commonwealth of the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and the Federated States of Micronesia.

(3) State director

The term “State director” means, with respect to a State, the Director of the Rural Economic and Community Development State Office.

(Pub. L. 87–128, title III, §381A, as added Pub. L. 104–127, title VII, §761, Apr. 4, 1996, 110 Stat. 1139.)

DEFINITION OF RURAL AREAS FOR CERTAIN BUSINESS AND COMMUNITY FACILITIES PROGRAMS

Pub. L. 106–78, title VII, §730, Oct. 22, 1999, 113 Stat. 1164, provided that: “Notwithstanding section 381A of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009), in fiscal year 2000 and thereafter, the definitions of rural areas for certain business programs administered by the Rural Business-Cooperative Service and the community facilities programs administered by the Rural Housing Service shall be those provided for in statute and regulations prior to the enactment of Public Law 104–127 [Apr. 4, 1996].”

Similar provisions were contained in Pub. L. 105–277, div. A, §101(a) [title VII, §735], Oct. 21, 1998, 112 Stat. 2681, 2681–29.

TERMINATION OF TRUST TERRITORY OF THE PACIFIC ISLANDS

For termination of Trust Territory of the Pacific Islands, see note set out preceding section 1681 of Title 48, Territories and Insular Possessions.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in section 1926 of this title.

§ 2009a. Establishment

The Secretary shall establish a rural community advancement program to provide grants, loans, loan guarantees, and other assistance to meet the rural development needs of local communities in States and federally recognized Indian tribes.

(Pub. L. 87–128, title III, §381B, as added Pub. L. 104–127, title VII, §761, Apr. 4, 1996, 110 Stat. 1139.)

§ 2009b. National objectives

The national objectives of the program established under this subchapter shall be to—

(1) promote strategic development activities and collaborative efforts by State and local communities, and federally recognized Indian tribes, to maximize the impact of Federal assistance;

(2) optimize the use of resources;

(3) provide assistance in a manner that reflects the complexity of rural needs, including the needs for business development, health care, education, infrastructure, cultural resources, the environment, and housing;

(4) advance activities that empower, and build the capacity of, State and local communities to design unique responses to the special needs of the State and local communities, and federally recognized Indian tribes, for rural development assistance; and

(5) adopt flexible and innovative approaches to solving rural development problems.

(Pub. L. 87–128, title III, § 381C, as added Pub. L. 104–127, title VII, § 761, Apr. 4, 1996, 110 Stat. 1139.)

§ 2009c. Strategic plans

(a) In general

The Secretary shall direct each of the Directors of Rural Economic and Community Development State Offices to prepare a strategic plan—

- (1) for each State for the delivery of assistance under this subchapter in the State; and
- (2) for each federally recognized Indian tribe for the delivery of assistance under this subchapter to the Indian tribe.

(b) Assistance

(1) In general

Financial assistance for rural development provided under this subchapter for a State or a federally recognized Indian tribe shall be used only for orderly community development that is consistent with the strategic plan of the State or Indian tribe.

(2) Rural area

Assistance under this subchapter may only be provided in a rural area.

(3) Small communities

In carrying out this subchapter in a State, the Secretary shall give priority to communities with the smallest populations and lowest per capita income.

(c) Review

The Secretary shall review the strategic plan of each State and federally recognized Indian tribe not later than 60 days after receiving the plan, and at least once every 5 years thereafter.

(d) Contents

A strategic plan of a State or federally recognized Indian tribe under this section shall be a plan that—

- (1) coordinates economic, human, and community development plans and related activities proposed for an affected area;
- (2) provides that the State or federally recognized Indian tribe, as appropriate, and an affected community (including local institutions and organizations that have contributed to the planning process) shall act as full partners in the process of developing and implementing the plan;
- (3) identifies goals, methods, and benchmarks for measuring the success of carrying out the plan and how the plan relates to local or regional ecosystems;
- (4) in the case of a State, provides for the involvement, in the preparation of the plan, of State, local, private, and public persons, State rural development councils, federally recognized Indian tribes in the State, and community-based organizations;
- (5) identifies the amount and source of Federal and non-Federal resources that are available for carrying out the plan; and
- (6) includes such other information as may be required by the Secretary.

(Pub. L. 87–128, title III, § 381D, as added Pub. L. 104–127, title VII, § 761, Apr. 4, 1996, 110 Stat. 1140.)

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 950aaa–2, 2009f, 2009g of this title.

§ 2009d. Rural Development Trust Fund

(a) Establishment

There is established in the Treasury of the United States a trust fund which shall be known as the Rural Development Trust Fund (in this subchapter referred to as the “Trust Fund”).

(b) Accounts

There are established in the Trust Fund the following accounts:

- (1) The rural community facilities account.
- (2) The rural utilities account.
- (3) The rural business and cooperative development account.
- (4) The national reserve account.
- (5) The federally recognized Indian tribe account.

(c) Deposits into accounts

Notwithstanding any other provision of law, each fiscal year—

- (1) all amounts made available to carry out the authorities described in subsection (d)(1) of this section for the fiscal year shall be deposited into the rural community facilities account of the Trust Fund;
- (2) all amounts made available to carry out the authorities described in subsection (d)(2) of this section for the fiscal year shall be deposited into the rural utilities account of the Trust Fund; and
- (3) all amounts made available to carry out the authorities described in subsection (d)(3) of this section for the fiscal year shall be deposited into the rural business and cooperative development account of the Trust Fund.

(d) Function categories

The function categories described in this subsection are the following:

(1) Rural community facilities

The rural community development category consists of all amounts made available for—

- (A) community facility direct and guaranteed loans under section 1926(a)(1) of this title; or
- (B) community facility grants under paragraph (19), (20), or (21) of section 1926(a) of this title.

(2) Rural utilities

The rural utilities category consists of all amounts made available for—

- (A) water or waste disposal grants or direct or guaranteed loans under paragraph (1) or (2) of section 1926(a) of this title;
- (B) rural water or wastewater technical assistance and training grants under section 1926(a)(14) of this title;
- (C) emergency community water assistance grants under section 1926a of this title; or
- (D) solid waste management grants under section 1932(b) of this title.

(3) Rural business and cooperative development

The rural business and cooperative development category consists of all amounts made available for—

(A) rural business opportunity grants under section 1926(a)(11)(A) of this title;

(B) business and industry direct and guaranteed loans under section 1932(a)(1) of this title; or

(C) rural business enterprise grants or rural educational network grants under section 1932(c) of this title.

(e) National reserve account

(1) Transfers into account

(A) Initial transfer

Each fiscal year, the Secretary shall transfer to the national reserve account of the Trust Fund from each account specified in subsection (c) of this section not more than the applicable percentage of the amount deposited in each such account for the fiscal year under subsection (c) of this section.

(B) Repooling of unobligated funds allocated among the States

Not earlier than July 15 of each fiscal year, the Secretary shall transfer to the national reserve account from each account specified in subsection (c) of this section any amount in the account that is allocated for any State, and has not been obligated by the State director or obligated for specific approved projects in the State.

(2) Use

The Secretary may use amounts in the national reserve account of the Trust Fund, pursuant to any authority described in subsection (d) of this section—

(A) in the case of a fiscal year other than fiscal year 2001 or 2002—

- (i) to meet situations of exceptional need;
- (ii) to meet emergency situations; or
- (iii) to provide funds to entities whose applications for funds provided under this subchapter have been approved and who have not received funds sufficient to meet the needs of the projects described in the applications; or

(B) in the case of fiscal years 2001 and 2002—

- (i) to meet situations of exceptional need; or
- (ii) to meet emergency situations.

(3) “Applicable percentage” defined

In paragraph (1), the term “applicable percentage” means, with respect to a fiscal year—

- (A) 15 percent for fiscal year 1997;
- (B) 12.5 percent for fiscal year 1998;
- (C) 10 percent for fiscal year 1999;
- (D) 7.5 percent for fiscal year 2000;
- (E) 5 percent for fiscal year 2001; and
- (F) 5 percent for fiscal year 2002.

(f) Federally recognized Indian tribe account

(1) Transfers into account

Each fiscal year, the Secretary shall transfer to the federally recognized Indian tribe account of the Trust Fund 3 percent of the amount deposited into the Trust Fund for the fiscal year under subsection (d) of this section.

(2) Use of funds

The Secretary shall make available to federally recognized Indian tribes the amounts in the federally recognized Indian tribe account for use pursuant to any authority described in subsection (d) of this section.

(g) Allocation among States

The Secretary shall allocate the amounts in each account specified in subsection (c) of this section among the States in a fair, reasonable, and appropriate manner that takes into consideration rural population, levels of income, unemployment, and other relevant factors, as determined by the Secretary.

(h) Availability of funds allocated for States

The Secretary shall make available to each State the total amount allocated for the State under subsection (g) of this section that remains after applying section 2009f of this title.

(Pub. L. 87–128, title III, §381E, as added Pub. L. 104–127, title VII, §761, Apr. 4, 1996, 110 Stat. 1140; amended Pub. L. 105–86, title III, Nov. 18, 1997, 111 Stat. 2094; Pub. L. 106–472, title III, §§304(b), 305(b), Nov. 9, 2000, 114 Stat. 2071.)

AMENDMENTS

2000—Subsec. (d)(1)(B). Pub. L. 106–472, §305(b), substituted “paragraph (19), (20), or (21)” for “paragraph (19) or (20)”.

Pub. L. 106–472, §304(b), substituted “paragraph (19) or (20) of section 1926(a)” for “section 1926(a)(19)”.

1997—Subsec. (d)(3)(B). Pub. L. 105–86 inserted “direct and” after “business and industry”.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 2009e, 2009f of this title.

§ 2009e. Transfers of funds

(a) General authority

Subject to subsection (b) of this section, the State Director¹ of any State may, during any fiscal year, transfer from each account specified in section 2009d(c) of this title a total of not more than 25 percent of the amount in the account that is allocated for the State for the fiscal year to any other account in which amounts are allocated for the State for the fiscal year.

(b) Limitation

Except as provided in subsection (c) of this section, a transfer otherwise authorized by subsection (a) of this section to be made during a fiscal year may not be made to the extent that the sum of the amount to be transferred and all amounts so transferred by State directors under subsection (a) of this section during the fiscal year exceeds 10 percent of the total amount made available to carry out the authorities described in section 2009d(d) of this title for the fiscal year.

(c) Exceptions

Subsections (a) and (b) of this section shall not apply to a transfer of funds by a State director if the State director certifies to the Secretary that—

- (1) there is an approved application for a project in the function category to which the

¹ So in original. Probably should not be capitalized.

funds are to be transferred but funds are not available for the project in the function category; and

(2)(A) there is no such approved application in the function category from which the funds are to be transferred; or

(B) the community that would benefit from the project has a smaller population and a lesser per capita income than any community that would benefit from a project in the function category from which the funds are to be transferred.

(Pub. L. 87-128, title III, §381F, as added Pub. L. 104-127, title VII, §761, Apr. 4, 1996, 110 Stat. 1142.)

§ 2009f. Grants to States

(a) Simple grants

(1) Mandatory grant

The Secretary shall make a grant to any eligible State for any fiscal year for which the State requests a grant under this section in an amount equal to 5 percent of the total amount allocated for the State under section 2009d(g) of this title.

(2) Permissive grant

Before July 15 of each fiscal year, the Secretary may make a grant to any State to defray the cost of any subsidy associated with a guarantee provided by an eligible public entity of the State under section 2009g of this title in an amount that does not exceed 5 percent of the total amount allocated for the State under section 2009d(g) of this title.

(3) Source of funds

The Secretary shall make grants to a State under paragraphs (1) and (2) from amounts allocated for the State in the accounts specified in section 2009d(c) of this title, by reducing each such allocated amount by the same percentage.

(b) Matching grants

(1) In general

Subject to paragraph (2), the Secretary shall make a grant to any eligible State for any fiscal year for which the State requests a grant under this section in an amount equal to 5 percent of the amount allocated for the State for the fiscal year under section 2009d(h) of this title.

(2) Eligibility

A State shall be eligible for a grant under paragraph (1) if the State makes commitments to the Secretary to—

(A) expend from non-Federal sources in accordance with subsection (c) of this section an amount that is not less than 200 percent of the amount of the grant; and

(B) maintain the amounts paid to the State under this subsection and the amount referred to in subparagraph (A) in an account separate from all other State funds until expended in accordance with subsection (c) of this section.

(3) Source of funds

If the Secretary makes a grant under paragraph (1) before July 15 of the fiscal year, the

grant shall be made from amounts allocated for the State in the accounts specified in section 2009d(c) of this title for the fiscal year, by reducing each allocated amount by the same percentage.

(c) Use of funds

A State to which funds are provided under this section shall use the funds in rural areas for any activity authorized under the authorities described in section 2009d(d) of this title in accordance with the State strategic plan referred to in section 2009c of this title.

(d) Maintenance of effort

The State shall provide assurances to the Secretary that funds provided to the State under this section will be used only to supplement, not to supplant, the amount of Federal, State, and local funds otherwise expended for rural development assistance in the State.

(e) Appeals

The Secretary shall provide to a State an opportunity to appeal any action taken with respect to the State under this section.

(f) Administrative costs

Federal funds shall not be used for any administrative costs incurred by a State in carrying out this subchapter.

(g) Expenditure of funds by State

(1) In general

Payments to a State from a grant under this section for a fiscal year shall be obligated by the State in the fiscal year or in the succeeding fiscal year. A State shall obligate funds under this section to provide assistance to rural areas.

(2) Failure to obligate

If a State fails to obligate payments in accordance with paragraph (1), the Secretary shall make an equal reduction in the amount of payments provided to the State under this section for the immediately succeeding fiscal year.

(3) Noncompliance

(A) Review

The Secretary shall review and monitor State compliance with this section.

(B) Penalty

If the Secretary finds that there has been misuse of grant funds provided under this section, or noncompliance with any of the terms and conditions of a grant, after reasonable notice and opportunity for a hearing—

(i) the Secretary shall notify the State of the finding; and

(ii) no further payments to the State shall be made with respect to the programs funded under this section until the Secretary is satisfied that there is no longer any failure to comply or that the noncompliance will be promptly corrected.

(C) Other sanctions

In the case of a finding of noncompliance made pursuant to subparagraph (B), the Sec-

retary may, in addition to, or in lieu of, imposing the sanctions described in subparagraph (B), impose other appropriate sanctions, including recoupment of money improperly expended for purposes prohibited or not authorized by this section and disqualification from the receipt of financial assistance under this section.

(h) No entitlement to contract, grant, or assistance

Nothing in this subchapter—

(1) entitles any person to assistance or a contract or grant; or

(2) limits the right of a State to impose additional limitations or conditions on assistance or a contract or grant under this section.

(Pub. L. 87–128, title III, §381G, as added Pub. L. 104–127, title VII, §761, Apr. 4, 1996, 110 Stat. 1143.)

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 2009d, 2009g of this title.

§ 2009g. Guarantee and commitment to guarantee loans

(a) “Eligible public entity” defined

In this section, the term “eligible public entity” means any unit of general local government.

(b) Guarantee and commitment

The Secretary, on such terms and conditions as the Secretary may prescribe, may guarantee and make commitments to guarantee notes or other obligations issued by eligible public entities, or by public agencies designated by the eligible public entities, for the purposes of financing rural development activities authorized and funded under section 2009f of this title.

(c) Limitation

The Secretary may not make a guarantee or commitment to guarantee with respect to a note or other obligation if the total amount of outstanding notes or obligations guaranteed under this section (excluding any amount repaid under the contract entered into under subsection (e)(1)(A) of this section) for issuers in the State would exceed an amount equal to 5 times the sum of the total amount of grants made to the State under section 2009f of this title.

(d) Payment of principal, interest, and costs

Notwithstanding any other provision of this subchapter, a State to which a grant is made under section 2009f of this title may use the grant (including program income derived from the grant) to pay principal and interest due (including such servicing, underwriting, or other costs as may be specified in regulations of the Secretary) on any note or other obligation guaranteed under this section.

(e) Repayment contract; security

(1) In general

To ensure the repayment of notes or other obligations and charges incurred under this section and as a condition for receiving the guarantees, the Secretary shall require the issuer to—

(A) enter into a contract, in a form acceptable to the Secretary, for repayment of notes or other obligations guaranteed under this section;

(B) pledge any grant for which the issuer may become eligible under this subchapter; and

(C) furnish, at the discretion of the Secretary, such other security as may be considered appropriate by the Secretary in making the guarantees.

(2) Security

To assist in ensuring the repayment of notes or other obligations and charges incurred under this section, a State shall pledge any grant for which the State may become eligible under this subchapter as security for notes or other obligations and charges issued under this section by any eligible public entity in the State.

(f) Pledged grants for repayments

Notwithstanding any other provision of this subchapter, the Secretary may apply grants pledged pursuant to paragraphs (1)(B) and (2) of subsection (e) of this section to any repayments due the United States as a result of the guarantees.

(g) Outstanding obligations

The total amount of outstanding obligations guaranteed on a cumulative basis by the Secretary pursuant to subsection (b) of this section shall not at any time exceed such amount as may be authorized to be appropriated for such purpose for any fiscal year.

(h) Purchase of guaranteed obligations by Federal Financing Bank

Notes or other obligations guaranteed under this section may not be purchased by the Federal Financing Bank.

(i) Full faith and credit

The full faith and credit of the United States is pledged to the payment of all guarantees made under this section. Any such guarantee made by the Secretary shall be conclusive evidence of the eligibility of the obligations for the guarantee with respect to principal and interest. The validity of the guarantee shall be incontestable in the hands of a holder of the guaranteed obligations.

(Pub. L. 87–128, title III, §381H, as added Pub. L. 104–127, title VII, §761, Apr. 4, 1996, 110 Stat. 1145.)

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in section 2009f of this title.

§ 2009h. Local involvement

An application for assistance under this subchapter shall include evidence of significant community support for the project for which the assistance is requested. In the case of assistance for a community facilities or infrastructure project, the evidence shall be in the form of a certification of support for the project from each affected general purpose local government.

(Pub. L. 87–128, title III, §381I, as added Pub. L. 104–127, title VII, §761, Apr. 4, 1996, 110 Stat. 1146.)

§ 2009i. Interstate collaboration

The Secretary shall permit the establishment of voluntary pooling arrangements among States, and regional fund-sharing agreements, to carry out projects receiving assistance under this subchapter.

(Pub. L. 87-128, title III, §381J, as added Pub. L. 104-127, title VII, §761, Apr. 4, 1996, 110 Stat. 1146.)

§ 2009j. Annual report**(a) In general**

The Secretary, in collaboration with State, local, public, and private entities, State rural development councils, and community-based organizations, shall prepare an annual report that contains evaluations, assessments, and performance outcomes concerning the rural community advancement programs carried out under this subchapter.

(b) Submission

Not later than March 1 of each year, the Secretary shall—

- (1) submit the report required by subsection (a) of this section to Congress and the chief executives of the States participating in the program established under this subchapter; and
- (2) make the report available to State and local participants.

(Pub. L. 87-128, title III, §381K, as added Pub. L. 104-127, title VII, §761, Apr. 4, 1996, 110 Stat. 1146.)

§ 2009k. Rural development interagency working group**(a) In general**

The Secretary shall provide leadership within the Executive branch for, and assume responsibility for, establishing an interagency working group chaired by the Secretary.

(b) Duties

The working group shall establish policy for, coordinate, make recommendations with respect to, and evaluate the performance of, all Federal rural development efforts.

(Pub. L. 87-128, title III, §381L, as added Pub. L. 104-127, title VII, §761, Apr. 4, 1996, 110 Stat. 1146.)

§ 2009l. Duties of Rural Economic and Community Development State Offices

In carrying out this subchapter, the Director of a Rural Economic and Community Development State Office shall—

- (1) to the maximum extent practicable, ensure that the State strategic plan referred to in section 2009c of this title is implemented;
- (2) coordinate community development objectives within the State;
- (3) establish links between local, State, and field office program administrators of the Department of Agriculture;
- (4) ensure that recipient communities comply with applicable Federal and State laws and requirements; and
- (5) integrate State development programs with assistance under this subchapter.

(Pub. L. 87-128, title III, §381M, as added Pub. L. 104-127, title VII, §761, Apr. 4, 1996, 110 Stat. 1146.)

§ 2009m. Electronic transfer

The Secretary shall transfer funds in accordance with this subchapter through electronic transfer as soon as practicable after April 4, 1996.

(Pub. L. 87-128, title III, §381N, as added Pub. L. 104-127, title VII, §761, Apr. 4, 1996, 110 Stat. 1147.)

§ 2009n. Rural venture capital demonstration program**(a) In general**

The Secretary may designate for each fiscal year up to 10 community development venture capital organizations to demonstrate the utility of guarantees to attract increased private investment in rural private business enterprises.

(b) Rural business investment pool**(1) Establishment**

To be eligible to participate in the demonstration program, an organization referred to in subsection (a) of this section shall establish a rural business private investment pool (referred to in this subsection as a “pool”) for the purpose of making equity investments in rural private business enterprises.

(2) Guarantee

From amounts in the national reserve account of the Trust Fund, the Secretary shall guarantee the funds in a pool against loss, except that the guarantee shall not exceed an amount equal to 30 percent of the total funds in the pool.

(3) Amount

The Secretary shall issue guarantees covering not more than \$15,000,000 of contingent liabilities for each of fiscal years 1996 through 2002.

(4) Term

The term of a guarantee provided under this subsection shall not exceed 10 years.

(5) Submission of plan

To be eligible to participate in the demonstration program, an organization referred to in subsection (a) of this section shall submit a plan that describes—

- (A) potential sources and uses of the pool to be established by the organization;
- (B) the utility of the guarantee authority in attracting capital for the pool; and
- (C) on selection, mechanisms for notifying State, local, and private nonprofit business development organizations and businesses of the existence of the pool.

(6) Competition**(A) In general**

The Secretary shall conduct a competition for the designation and establishment of pools.

(B) Priority

In conducting the competition, the Secretary shall give priority to organizations that—

(i) have a demonstrated record of performance, or have a board and executive director with experience, in venture capital, small business equity investment, or community development finance;

(ii) propose to serve low-income communities;

(iii) propose to maintain an average investment of not more than \$500,000 from the pool of the organization;

(iv) invest funds statewide or in a multi-county region; and

(v) propose to target job opportunities resulting from the investments primarily to economically disadvantaged individuals, as determined by the Secretary.

(C) Geographic diversity

To the extent practicable, the Secretary shall designate organizations in diverse geographic areas.

(Pub. L. 87-128, title III, §381O, as added Pub. L. 104-127, title VII, §761, Apr. 4, 1996, 110 Stat. 1147.)

SUBCHAPTER VI—DELTA REGIONAL AUTHORITY

§ 2009aa. Definitions

In this subchapter:

(1) Authority

The term “Authority” means the Delta Regional Authority established by section 2009aa-1 of this title.

(2) Region

The term “region” means the Lower Mississippi (as defined in section 4 of the Delta Development Act (42 U.S.C. 3121 note; Public Law 100-460)).

(3) Federal grant program

The term “Federal grant program” means a Federal grant program to provide assistance in—

- (A) acquiring or developing land;
- (B) constructing or equipping a highway, road, bridge, or facility; or
- (C) carrying out other economic development activities.

(4) Alabama as participating State

Notwithstanding any other provision of law, the State of Alabama shall be a full member of the Delta Regional Authority and shall be entitled to all rights and privileges that said membership affords to all other participating States in the Delta Regional Authority.

(Pub. L. 87-128, title III, §382A, as added and amended Pub. L. 106-554, §1(a)(4) [div. B, title I, §153(b), title V, §503], Dec. 21, 2000, 114 Stat. 2763, 2763A-252, 2763A-269.)

REFERENCES IN TEXT

The Delta Development Act, referred to in par. (2), is S. 2836 of the 100th Congress, as introduced on Sept. 27, 1988, and incorporated by reference into Pub. L. 100-460, title II, Oct. 1, 1988, 102 Stat. 2246, as amended. Section 4 of the Act is not classified to the Code. See Lower Mississippi Delta Development Commission note under section 3121 of Title 42, The Public Health and Welfare.

AMENDMENTS

2000—Par. (4). Pub. L. 106-554, §1(a)(4) [div. B, title I, §153(b)], added par. (4).

FINDINGS AND PURPOSES

Pub. L. 106-554, §1(a)(4) [div. B, title V, §502], Dec. 21, 2000, 114 Stat. 2763, 2763A-268, provided that:

“(a) FINDINGS.—Congress finds that—

“(1) the lower Mississippi River region (referred to in this title [enacting this subchapter and amending provisions classified as a note under section 3121 of Title 42, The Public Health and Welfare] as the ‘region’), though rich in natural and human resources, lags behind the rest of the United States in economic growth and prosperity;

“(2) the region suffers from a greater proportion of measurable poverty and unemployment than any other region of the United States;

“(3) the greatest hope for economic growth and revitalization in the region lies in the development of transportation infrastructure, creation of jobs, expansion of businesses, and development of entrepreneurial local economies;

“(4) the economic progress of the region requires an adequate transportation and physical infrastructure, a skilled and trained workforce, and greater opportunities for enterprise development and entrepreneurship;

“(5) a concerted and coordinated effort among Federal, State, and local agencies, the private sector, and nonprofit groups is needed if the region is to achieve its full potential for economic development;

“(6) economic development planning on a regional or multicounty basis offers the best prospect for achieving the maximum benefit from public and private investments; and

“(7) improving the economy of the region requires a special emphasis on areas of the region that are most economically distressed.

“(b) PURPOSES.—The purposes of this title are—

“(1) to promote and encourage the economic development of the region—

“(A) to ensure that the communities and people in the region have the opportunity for economic development; and

“(B) to ensure that the economy of the region reaches economic parity with that of the rest of the United States;

“(2) to establish a formal framework for joint Federal-State collaboration in meeting and focusing national attention on the economic development needs of the region;

“(3) to assist the region in obtaining the transportation and basic infrastructure, skills training, and opportunities for economic development that are essential for strong local economies;

“(4) to foster coordination among all levels of government, the private sector, and nonprofit groups in crafting common regional strategies that will lead to broader economic growth;

“(5) to strengthen efforts that emphasize regional approaches to economic development and planning;

“(6) to encourage the participation of interested citizens, public officials, agencies, and others in developing and implementing local and regional plans for broad-based economic and community development; and

“(7) to focus special attention on areas of the region that suffer from the greatest economic distress.”

§ 2009aa-1. Delta Regional Authority

(a) Establishment

(1) In general

There is established the Delta Regional Authority.

(2) Composition

The Authority shall be composed of—